



Date: May 29, 2003

Subject: OCFO Bulletin #2003-002, Resolution of Lockbox Collection Transactions
Posted to the Foundation Financial Information System Suspense File

To: FFIS Agencies

PURPOSE

The purpose of this bulletin is to provide guidance to Department of Agriculture (USDA) agencies for processing Lockbox (LX) collection transactions that are posted to the Foundation Financial Information System (FFIS) Suspense File (SUSF) and upon failing an FFIS edit are in reject status. Additionally, this bulletin is intended to ensure that when LX documents are processed they are not an impediment to the cash reconciliation process within USDA. This means that transactions are processed timely and accurately to comply with the Department of the Treasury's (Treasury) reporting requirements for the Undisbursed Appropriation Account Ledger (FMS-6653) and that transactions do not affect the Treasury's Statement of Difference Report (FMS6652). When the cash transaction is reported to Treasury, the same cash transaction must clear the SUSF file and post to FFIS in the same accounting period. If this is not done then differences will result and Treasury will report these to USDA on the FMS-6652. These LX transactions then require COD/CRB to reconcile the FMS-6652 difference.

BACKGROUND

LX transactions represent collections by a third-party contract financial institution on behalf of the agency. The financial institution makes daily deposits with Treasury that are credited to the agency's Accounting Location Code (ALC). The associated accounting data file that supports the deposit is transmitted daily by the financial institution and is updated to FFIS via the FFIS Lockbox Interface Program Procedure.

Records that fail the interface edits are posted to the FFIS SUSF table and are in REJECT status. Most records that fail edit are due to erroneous accounting data because the nature of the transaction is unidentified at the time it is processed through the interface. LX collection transactions residing on the FFIS SUSF table represent cash collected and deposited; therefore, these transactions must be posted to the FFIS general journal as unidentified collection activity in the same month that the financial institution reported them to Treasury.

RESPONSIBILITIES

Ultimately, agencies are responsible for assuring the quality and integrity of the financial data in FFIS. Therefore, the agency is responsible for the timely posting of unidentified collection activity to the FFIS general journal.

PROCEDURES

To standardize processing of LX collection business activities within USDA, rejected LX transactions are to be cleared directly to Fund LXBX. Each agency is responsible for establishing Fund LXBX on its FFIS Fund table. Treasury Symbol 12F3875, Suspense Fund, must be used when Fund LXBX is established. Additionally, each agency is responsible for establishing appropriate accounting codes that are associated with Fund LXBX.

Rejected LX transactions residing on SUSF must be cleared on a daily basis by correcting the erroneous

accounting data to a valid accounting code. The valid accounting code may be one that has been specifically established for Fund LXBX.

The agency is responsible for monitoring transactions posted to Fund LXBX to ensure that they are timely and accurately reclassified. Transactions posted to FUND LXBX are to be reclassified to appropriated, trust, special, or receipt accounts within 30 days.

INQUIRIES

Any questions concerning this bulletin should be directed to the Controller Operations Division's Cash Reconciliation Branch, attention Ella Robertson, at 504-255-5761.

EFFECTIVE DATE

This bulletin is effective immediately.

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JESSE L. KING

Confidential Assistant, OCFO, Controller Operations Division
